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## ***Kernan Announces Grants for Innovative Energy System***

*Northwest Indiana facility will convert cow manure into electricity*

INDIANAPOLIS — An innovative facility designed to convert cow manure into electricity will soon be constructed at a dairy farm in Newton County, thanks to a \$95,723 grant from the U.S. Department of Energy and a \$30,000 grant from the Indiana Department of Commerce, Energy Policy Division.

Lt. Governor Joe Kernan announced today that Commerce's Energy Policy Division has been awarded a Special Project grant from the U.S. Department of Energy that will be used by Jasper County's Fair Oaks Dairy Farm to convert its animal wastes to energy. In addition, Fair Oaks Dairy will receive a matching grant from the Energy Policy Division's Distributed Generation Grant Program.

"We're proud to have secured the Department of Energy grant and to have provided matching funds so Indiana can be the test site for this system," said Kernan, who serves as director of the Department of Commerce. "This is a great example of an agribusinesses that's truly a good neighbor to have in the community."

Fair Oaks operates four separate dairy operations. This project will convert the manure from one 3,000-cow facility into methane gas using anaerobic digestion, a speeded-up version of the natural decay process. The methane gas – the same gas that is in natural gas - will fuel specially modified engines and generators to produce electricity for use at the dairy and sale to the local utility.

The anaerobic digestion process will greatly reduce the volume of solid animal wastes generated by the dairy. The nutrient-rich solids produced during the anaerobic digestion process – which have much less odor than regular animal waste – will be used as crops are planted. The entire project, including the digester, generation equipment and waste treatment equipment, will cost over \$2 million.

Although anaerobic digestion energy has been used in Europe for many years, lower energy costs in the U.S. have made it uncompetitive in the Midwest until the development of new technologies. The Fair Oaks facility will have three 250-kilowatt electric generators that are expected to meet the needs of the dairy and still be able to supply more than 3.5 million kilowatt hours of electricity a year to the local utility, enough to power approximately 350 houses.

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Each year, the U.S. Department of Energy issues a Special Projects solicitation for projects that promote a variety of energy efficiency initiatives and alternative energy technologies. This year, the Department of Commerce's Energy Policy Division was awarded six grants totaling \$430,723 for projects in Indiana.

For the Fair Oaks Dairy project, the Division's Distributed Generation Grant Program is providing a matching grant of \$30,000. The program offers grants of up to \$30,000 or 30% of equipment costs, whichever is less, for projects that employ high efficiency distributed generation technologies such as fuel cells and cogeneration, or renewable energy technologies such as solar, wind and biomass.

For more information about this or any other program administered by Commerce's Energy Policy Division, contact Ethan Rogers at 317.232.8961 or visit the Web site [www.indianacommerce.com](http://www.indianacommerce.com).

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